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DAVID E. JANSSEN
Chief Administrative Officer

December 14, 2005

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

Tobacco Tax Act of 2006

On Tuesday December 13, 2005, representatives from the American Cancer Society and several other health care advocacy groups, including the California Hospital Association, held a press conference to announce a new ballot initiative which would increase the tax on a pack of cigarettes by $2.60. This comprehensive initiative is targeted for the November 2006 ballot and replaces all other previously circulated cigarette tax initiatives. It is expected to generate $2.27 billion annually and assumes a seven percent annual decline in tobacco consumption. The new revenues would fund research, education, prevention and treatment programs, including $828 million for hospital emergency rooms, $405 million for children's health insurance, $100 million for nursing education, and $72 million for emergency room physicians.

The initiative was filed with the Attorney General on December 12, 2005 for Title and Summary, and the signature drive to qualify the ballot initiative will start sometime in February. Attachment I is a fact sheet regarding the Tobacco Tax Act of 2006.

CSAC Conference Summary

The California State Association of Counties (CSAC) annual conference was held in San Jose on November 29, through December 1, 2005. There were a number of meetings on a series of subjects that were of interest to counties. In many cases, these issues are also being discussed at the federal and state levels.

Urban County Caucus – Board of Directors Meeting

Legislative Agenda – The Board ***adopted*** its legislative priorities for 2006. The agenda was prepared by Urban County Caucus (UCC) staff, key county staff, and lobbyists. The priorities include: 1) Health Care Financing, 2) State Budget Issues, 3) Infrastructure Financing/Disaster Preparedness, 4) Eminent Domain, 5) Pension Reform, and 6) Tribal Gaming. More details on these policies are provided in Attachment II.

UASI Grant Funding Issues – Supervisor Greg Cox provided an overview of the Urban Area Security Initiative Grants and expressed San Diego County's concern that funding is being distributed to cities, as opposed to counties, and this has precluded regional areas from receiving funding to address critical needs. The Board directed UCC staff, in collaboration with affected counties, to pursue changing the recipient of the grants from cities to counties in order to use the funds for regional assistance.

Appointments – Board members voted to appoint the Urban Section for the 2006 CSAC Executive Committee:

- 2nd Vice President: Rich Gordon
- Directors: Don Knabe, Keith Carson, Federal Glover, John Tavaglione, Roger Dickinson, Kathy Long, and Paul Biane as alternate.

Administration of Justice Policy Committee

Juvenile Justice - CSAC staff provided a brief update on the current status of the various reform discussions and potential alternatives. Greg Jolivette, Director of Criminal Justice Programs for the Legislative Analyst Office (LAO) noted that the Administration is currently working on a needs assessment and a potential plan that would transfer certain responsibilities from the State to local governments. The LAO is working on internal guiding principles in case this proposal is brought forward. Mr. Jolivette also explained that his office will likely support a form of realignment, as long as it is accompanied by a shift of decision-making authority to the local level. However, they will not recommend any increases in spending. The Senate Public Safety Committee is considering some changes. It is very

likely that the Administration will include some additional details related to the plan submitted to the courts in response to the Farrell litigation. The plan relates to the quality of the programs and the terms of confinement at the Department of Corrections and Rehabilitation (juvenile division).

Proposition 36 – Funding for the Substance Abuse Crime Prevention Act of 2000 is set to expire at the end of FY 2005-06, however, the statutory requirements to provide treatment and other services remain unchanged, and counties will still have the responsibility to continue the program. Judge Stephen Manley from the Los Angeles County Superior Court and Nick Warner, who represents the California State Sheriffs' Association and the County of Los Angeles, provided an overview of their efforts to extend Proposition 36 funding. Both reported that the Administration plans to include full funding ($120 million) in the January Budget, but it will be contingent on the passage of SB 803 (Ducheny). The Assembly is likely to support this proposal in either a policy or a fiscal committee setting. The key to success may be providing some guarantee of separate funding for drug testing.

Undesignated Fees – There was a discussion of the implementation of the undesignated fee agreement as part of the Budget Act of 2005. There appears to be general agreement on the division of the funds. Additional information will be forthcoming on the progress.

Trial Court Facilities Transfer - Staff discussed how slowly this process is going. It is questionable whether the 2007 goal to complete all transfers of trial court facilities to the State (that the counties want to transfer) will be attained. Questions remain on how to transfer buildings that are in need of seismic retrofit. This may be a sticking point. Counties need to be careful not to assume too much residual liability when transferring title of the property.

Additional Item - Court Employee Benefits - In the County Administrative Officers (CAO) meeting, concerns were raised regarding the benefit costs for court employees that were funded through the use of a pension obligation bond. The Court's position is that these bonds represent a county liability.

Health & Human Services Policy Committee

Legislative Platform – The committee approved the proposed legislative platform recommended by CSAC staff. The details of this are included in Attachment III.

AB 3632 Issues – Patricia Ryan of the California Mental Health Directors Association (CMHDA) explained that in addition to the $120 million included in the FY 2005-06 Budget for AB 3632 reimbursement, the Governor instructed the Departments of Mental Health and Education to develop a plan, in consultation

with stakeholders, to change the program from a mandate reimbursement to a categorical program. Ms. Ryan mentioned that the State had not yet convened any meetings to comply with the Governor's directive. The Committee also approved staff's recommendation to adopt the principles of the CMHDA to address future AB 3632 discussions with the Administration. The principles identify the components that should be part of providing mental health services pursuant to Federal regulations of the Individuals with Disabilities Education Act.

Mental Health Services Act (Proposition 63) - Nancy Pena, Director of Mental Health from Santa Clara County provided an update on the implementation of Proposition 63 in her county. In addition, Kelly Brooks of CSAC reported that 23 counties have finalized and submitted their plan to the State Department of Mental Health (SDMH). The Los Angeles County plan was approved by the Board and submitted to the SDMH in September 2005.

Medi-Cal Update - Jonathan Freedman, of Los Angeles County's CAO, provided an update on the various issues associated with the implementation of SB 1100, such as the statutory framework for implementing the new waiver, managed care, the definition of certified public expenditures, etc.

Child Support - David Oppenheim, Executive Director of the Child Support Directors' Association presented a brief overview of the child support enforcement system and the State Disbursement Unit (SDU). The SDU is a service contract that processes collections and disbursements for custodial parents. According to Mr. Oppenheim, the State is on target to have a qualifying disbursement system, intended to stop the imposition of federal penalties, in place by September 2006.

IHSS Subcommittee Update - This subcommittee was established as a result of the Governor's Budget proposal to reduce the State's share of wages and benefits for In-Home Support Services (IHSS) providers. The subcommittee will be updating the information CSAC makes available to counties to include a summary of the IHSS Quality Assurance Workgroups, a summary of the IHSS Plus Federal Waiver, and a list of significant law changes affecting IHSS since 2002. This information will be available on CSAC's website.

Family Violence Task Force - There was an abbreviated discussion on the effects of methamphetamine on the community (crime) and community. In a NACo survey, the study concluded that violations of criminal law associated with methamphetamine use was a growing nationwide problem that is using up increasing amounts of law enforcement time and jail space. Its use and sale is also responsible for a growing number of related crimes such as robbery, burglary and domestic violence. Methamphetamine use is also attributable to a

large percentage of out of home placements and has made family reunification more difficult.

Government Finance & Operations Policy Committee

Legislative Platform – The committee approved the proposed legislative platform recommended by CSAC staff. This includes an affirmation of: 1) the importance of timely certification of local voting systems; 2) the importance of an equitable distribution of federal funds under the Help America Vote Act; support of reimbursement to counties for the cost of special elections to replace a member of Congress and/or a member of the State Legislature due to a vacancy or death; 3) the need for additional property tax revenues in support of critical county services; and 4) the promotion of healthy competition among telecommunications providers and that any effort to reform the national Telecommunications Act of 1996 (as currently being contemplated in Congress) maintains local governments' local franchising authority, management of public rights of way, encourages investment in all communities and neighborhoods, preserves funding for public education, government channels and institutional networks, and holds local governments fiscally harmless from the loss of fees other revenue associated with franchise agreements.

Pension Reform (ACA 23) – Daniel Pellisier, Chief of Staff, from Assembly Member Keith Richman's office provided an overview of ACA 23, which would establish a hybrid pension system of defined benefit and defined contribution plans. Steve Keil reported that CSAC staff has been working with the CAO's Pension Reform Committee to evaluate ACA 23 and has sent a letter to Assemblyman Richman expressing concerns with the bill in its current form. Mr. Pellisier said that he would approach Assembly Member Richman about adding provisions to allow an early retirement option in the proposed new pension program. Richman's office has indicated that should the Legislature not pass ACA 23, they would begin the process of gathering signatures to place the issue before the voters in the November 2006 ballot. CSAC staff believes that this is a real concern for counties as it would be very difficult to convince the voters to defeat this measure. The Government Finance and Operations (GFO) Committee will hold a January meeting in Sacramento to discuss an official position of "oppose unless amended" with the intent to make a recommendation to the CSAC Board of Directors meeting in February 2006.

Retiree Health – As a result of the exponential cost increases in retiree health, Steve Keil of CSAC provided an overview of its organization's efforts in assisting counties to comply with Governmental Accounting Standards Board (GASB) Statements 43 and 45, requirements that counties report unfunded liabilities for post-employment benefits, such as retiree health coverage. CSAC and the County Administrative Officers Association of California surveyed counties to

determine practices, along with Chief Administrative Officer, John Sweeten of Contra Costa County and his staff. Please see Attachment IV for a copy of the survey results. The survey concluded that most counties provide some level of retiree medical benefits so they will be affected by the upcoming disclosure requirement. The survey also indicated that many counties have not performed the needed actuarial calculation to determine their unfunded liability. While the GASB 43 and 45 requirements will add a substantial liability to county financial statements, CSAC staff believes that it has been factored into a county's credit rating and therefore its disclosure would have little impact on this factor.

In addition, the GFO Committee announced that CSAC's Finance Corporation will be hosting a seminar on January 25, 2006 in Sacramento to discuss the potential impact of GASB Statements 43 and 45.

Kelo Decision (Redevelopment/Eminent Domain) – Jean Hurst of CSAC briefed the Committee on legislative efforts at the State and Federal levels in response to the Kelo decision. Ms. Hurst explained that due to significant bipartisan interest in a legislative solution, CSAC created a working group which includes county counsels to assist in analyzing the various proposals. The working group is open for anyone who wants to participate. The Chief Administrative Officers will be looking at redevelopment and tax increment financing issues with Santa Clara County taking the lead.

Telecommunications – As a result of recently proposed State and Federal actions, a panel representing the California Cable and Telecommunications Association, SBC, and San Bernardino County debated the pros and cons of telecommunications reform. Since some of the federal legislative proposals threaten to eliminate local franchising fees and local control, CSAC has convened another working group to address this issue. The potential impact statewide is about $20 million with $4 million of that affecting Los Angeles County.

Agriculture and Natural Resources Policy Committee

Resource Efficient Land Use - The resolution passed by this committee encouraged counties to consider the Awahnee Water Principals for Efficient Land Use which supported a closer review of water usage and land development. Some committee members wanted to adopt a policy to encourage the use of those policies when making land use decisions but this did not pass as there was not a complete discussion of all the principles.

CSAC Workshop – Prop 1A

This workshop discussed the implications of the passage of Proposition 1A which was intended to prevent the state from taking funds from local governments and to require the state to either pay for state imposed mandates or suspend them. The consensus was that while the provisions of Proposition 1A provide some protection of funding, there will likely be some discussions in Sacramento on how to circumvent this law. The implementation of Proposition 1A may have uncertain consequences regarding the long term funding of discretionary programs by the state. In addition, the State may take the position that an increasing number of issues are a local and not a state concern. Under the provisions of Prop 1A, counties stand to be more vulnerable than cities to State efforts to reduce or deny funding since the counties' role is viewed to be a constitutional extension of the State government. An example of the State's efforts to modify Prop 1A is a change in the amortization of prior year mandates from a five year schedule to a 15 year schedule as part of the 2005 Budget Act package.

CSAC Workshop - Property Tax Revenue and Redevelopment

This workshop discussed the impact of redevelopment on the allocation of property tax revenues. Anne Moore of the Sacramento Housing and Redevelopment Agency talked about the partnership that the City and the County of Sacramento had regarding the use of redevelopment agencies. Her position was that the partnership worked very well. Pete Kutras, County Executive of Santa Clara County, questioned the effectiveness of redevelopment agencies in promoting enhanced property values. He gave the example of the Santana Row shopping center, a development that was doing quite well without the use of redevelopment funds. In addition, he expressed the concern of the County that the redevelopment projects in nine of 15 cities in Santa Clara County were of such magnitude that over the past five year period, the redevelopment agencies received more property tax revenue than the county government. Peter Detwiler, consultant with the Senate Local Government Committee, explained that redevelopment agencies have historically been under scrutiny for their definition of blight, or failure to properly expend funding set aside for low and moderate income housing. He foresaw additional legislative proposals this session to further scrutinize the operations of redevelopment agencies.

We will continue to keep you advised.

DEJ:GK
MAL:JF:MS:DW:SK:kg

Attachments

C: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants

Facts About the Tobacco Tax of 2006
December 13, 2005

Mission Statement: This initiative is a critical and desperately needed investment towards improving the health of all Californians through children's health insurance, improved access to emergency room care, nurse education and training, and targeted smoking reduction and smoking related disease prevention, treatment and research efforts.

Sponsors/Supporters: American Cancer Society, American Lung Association of California, American Heart Association, The Children's Partnership, the California Hospital Association, the California Chapter, American College of Emergency Physicians, the California Emergency Nurses Association, the California Primary Care Association, Campaign for Tobacco Free Kids, Children Now, PICO California Project, Association of California Nurse Leaders, Emergency and Acute Care Medical Corporation.

Details: A single statewide initiative that would raise the state's tobacco tax by $2.60 per pack of cigarettes to help provide immediate and tangible solutions to some of California's major health challenges. The initiative is expected to raise approximately $2.27 billion for the following:

- Treatment -- 52.75%
  - Hospital emergency care services ($828 million)
  - Nursing education ($100 million)
  - Community clinics ($64 million)
  - Emergency physicians ($72 million)
  - Steve Thompson physician education fund ($8 million)
  - Prostate cancer treatment ($19 million)
  - Tobacco cessation services ($19 million)

- Prevention -- 42.5%
  - Children's health insurance ($405 million)
  - Tobacco control, education, enforcement programs ($194 million)
  - Cancer, heart and asthma prevention and control programs ($292 million)

- Research -- 5% ($105 million) Includes tobacco-related disease and cancer research

- Funding for Proposition 10 programs ($159 million) and estimated administrative costs ($3 million)

WHAT THE INITIATIVE WILL DO

Children's Health Insurance

New revenues would ensure that the more than 800,000 California children without basic health care coverage are eligible for health insurance. Children with health insurance are more likely to get the care they need, especially essential preventive care than can prevent avoidable conditions and expensive emergency room visits. In addition, providing health insurance to kids improves their performance in school.

Emergency Care Services

Funds from the initiative will go directly to local emergency room care -- a service as vital to the public's interest as fire and police protection. Nearly 70 California hospitals closed their doors between 1996 and 2004—nine in 2004 alone. Hospital emergency rooms and trauma centers are overcrowded and collectively lose hundreds of millions of dollars each year, a situation further overwhelmed by the care of smoking-related illnesses. Emergency rooms statewide will be eligible for funds to help cover the costs of emergency room physicians, nurses, specialists and other services.

Nurse Education

California is struggling with a severe shortage of qualified nurses — currently at 14,000 and expected to grow to a shortage of 42,000 by 2010 -- another major cause of the closure of hospitals and emergency services. California currently does not have the capacity to educate enough nurses to meet its need. New revenues from the Tobacco Tax of 2006 will help California close the shortage gap by increasing the number of nursing educators as well as the number of nursing student graduates.

Disease Prevention, Treatment and Research

New revenues would support programs aimed at reducing the major causes of illness and death in California including: breast, cervical, colorectal and prostate cancer detection and treatment; cancer research program; cancer registry; breast cancer research; heart disease and stroke prevention; nutrition and physical activity, lung disease research and asthma prevention and control. These funds will expand and deepen public health efforts to combat California's deadly chronic diseases.

Tobacco Use Prevention and Control

Almost 80% of adult smokers become addicted to tobacco before they reach the age of 18. The tax increase itself would help smokers overcome their addiction and the new revenues will also support California's proven, effective tobacco use prevention program. Existing programs receiving new revenues include those managed by the Department of Health Services, Tobacco Control Section (media campaign, competitive grants, local health departments, smoking cessation hotline, etc.); the California Department of Education's schools-based prevention programs; and, the University of California's Tobacco-Related Disease Research Program. Two new programs targeted in the initiative include funding for local law enforcement agencies to enforce state and local tobacco-related laws, and expanded smoking cessation services to help more people quit smoking.

Community Clinics

More than 700 community-based clinics throughout the state that provide health care to uninsured and underinsured children and adults would be able to provide increased services because of these new revenues. Not-for-profit community-based clinics serve everybody who walks through their doors, regardless of their ability to pay. Clinics provide primary care services to large numbers of people who would otherwise seek primary care in emergency rooms.

Children and Families Trust Fund

Funds are provided to the Proposition 10 account to make up for any reduced revenue caused by the decline in tobacco use as a result of this initiative.

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UCC Legislative Priorities – 2006

Health Care Financing

An element of the recently approved Medi-Cal hospital waiver allows California to access $180 million in unallocated Federal funds if a health coverage initiative is developed for uninsured persons for years 3 – 5 of the waiver. Accessing these funds is critical to maintain the fiscal viability of public hospitals, as they may be the only source of new Medi-Cal funds in the future. Therefore UCC will promote the creation of a health coverage program for uninsured persons, who would seek care through a county defined network of public hospitals, clinics, and contract providers. This program would be focused on chronically ill uninsured adults age 18 – 64 under 100 percent of FPL and to uninsured parents of children on Medi-Cal and Healthy Families. It would not be an entitlement, but based on available funding. This program would ensure that the $180 million in the hospital financing waiver is spent on public hospital and health systems and would result in better coordinated care for the uninsured.

State Budget Issues

UCC will focus on the State Budget with emphasis on securing adequate funding for programs administered by counties. UCC will oppose reductions in state programs that will have the effect of increasing the burden on county "safety net" programs, especially those in health care. UCC will oppose efforts to reduce funding without a commensurate reduction in county responsibility. UCC will further oppose any efforts to shift costs or penalties to counties pursuant to a reduction in federal funding.

Infrastructure Financing/Disaster Preparedness

UCC will support measures that provide additional funds for local infrastructure including flood protection. UCC will also support measures that enable counties to better exercise their responsibility to plan for and respond to emergencies and disasters.

Eminent Domain and Redevelopment

UCC supports maintaining a county's flexibility to use eminent domain for public projects. UCC will support limiting the circumstances where redevelopment can be used and will oppose any expansion of the definition of "blight". UCC is opposed to any expansion or extension of redevelopment activities without the concurrence of the other affected taxing agencies.

Pension Reform

UCC will support reforms to public retirement systems that meet the following goal: Counties must be able to maintain retirement systems: 1) at a level of investment that is responsible and predictable, 2) that help to recruit and retain competent workers, 3) that restore the public trust in public retirement systems and the officials that run them, 4) that share financial responsibility between the counties and their employees, and 5) provide counties with the flexibility to meet local needs.

Tribal Gaming

UCC will monitor activities related to tribal gaming and other tribal enterprises in urban areas to ensure that any tribal compacts include provisions that address county concerns including off-reservation impacts and the ability of counties to meet their governmental responsibilities.

10/31/05

November 11, 2005

To: Supervisor Helen Thomson, Chair, and Members, CSAC Health and Human Services Policy Committee

From: Kelly Brooks, CSAC Legislative Representative
Qiana Charles, CSAC Legislative Analyst
Fran Burton, CSAC Legislative Consultant

Re: Proposed Changes to the Health and Human Services (HHS) Platform
ACTION ITEM

RECOMMENDATION: Staff recommends that the policy committee approve the changes proposed to the Health and Human Services platforms.

Background
The policy committees of the California State Association of Counties (CSAC) review and, if appropriate, revise their respective planks of the association's policy platform on a biannual basis.

Attached you will find the health services and the human services platforms. It is proposed that the policy committee review the proposed health services and the human services platform revisions prior to the Board meeting tentatively scheduled for February 2006. If the policy committee cannot come to agreement on November 30th, staff recommends that the policy committee meet via conference call early in January 2006 to complete the review and incorporate additional changes.

Staff Comments
After approving the platforms, the HHS committee will forward its recommended action to the Board of Directors for their review and approval during its first meeting of the 2006 calendar year. Should the Board of Directors modify the policy committee recommendations, the policy committee will review those changes at its Spring Legislative Conference meeting. The Board of Directors then will take final action on platform changes at its meeting during the legislative conference.

Please refer to the guide below — which includes a page and line number cross-reference — that describes the totality of the proposed changes and the rationale behind each change:

HEALTH SERVICES PLATFORM

Page, line	Change	Rationale/Need
Pg. 1, line 9	Stylistic change; delete "continue to"	Places greater emphasis on what counties do and creates an active sentence rather than passive.

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Pg. 1, lines 14-18	Grammatical change	Deleted unnecessary language to simplify the paragraph.
Pg. 1, lines 20-23 Pg. 1, lines 28-31	Stylistic change. Moved the last 2 sentences in paragraph to the beginning of paragraph.	Places greater emphasis at the beginning of paragraph about the importance of partnerships with state & counties.
Pg. 1, lines 36-37	Delete "Illness and threat of illness are very personal"	Grammatical. Sentence did not make sense and did not read well.
Pg. 1, lines 38-39	Delete "that are becoming more dangerous as living conditions require ..."	Grammatical. Deleted unnecessary language.
Pg. 1, lines 39-40	Stylistic change. Delete "this" and added "the role of ... against contagious and infectious diseases"	Stylistic change to clarify government's role in protecting the public against contagious and infectious diseases.
Pg. 2, lines 17-19	Addition of statement emphasizing the importance of Proposition 63 funding	Clarifies that although Proposition 63 is important to counties, it does not add funding to existing programs but provides for new programs that expand the capacity of existing programs.
Pg. 2, lines 27-30	Stylistic change	Deleted unnecessary language to clarify that counties are committed to provide services of the highest quality of care.
Pg. 2, line 43; Pg. 3, lines 1-20	Addition and clarification paragraph on mental health services for special education students (AB 3632).	Clarifies and more accurately reflects CSAC's position to either fully fund the AB 3632 mandate or to remove the mandate from county mental health.
Pg. 3, lines 25-26	Stylistic change	Changed the order of words in the sentence.
Pg. 3, line 37	Delete "in the areas of"	Stylistic change to further clarifies counties commitment to substance abuse prevention and treatment.
Pg. 4, lines 18-43; Pg. 5, lines 1-43; Pg. 6, lines 1-43; Pg. 7, lines 1-18	Creation of a new Section on Medi-Cal, California's Medicaid Program	Previously this section was not included in the platform. However, there have been significant changes to the federal Medicaid program that will impact counties. This section incorporates CSAC's Medi-Cal reform principles adopted in 2004.
Pg. 7, lines 21-43	Creation of new Section on Medicare Part D, which acknowledges county	Medicare Part D is a new federal prescription drug program that will be effective January 1, 2006.

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	impacts in platform.	
Pg. 8, line 15	Grammatical change. Delete the word "ideally"	Deletes unnecessary language.
Pg. 8, lines 25-27	Stylistic change. Delete "we...persons, such as the mentally ill or homeless"	Provides more accurate information and broadens those who need care under the health care safety net to include the uninsured and those with difficulty accessing care through the traditional insurance-based system.
Pg. 9, line 17	Grammatical change. Added the words "the...Program" to provide the accurate name for the Healthy Families Program	Grammatical change.
Pg. 10, lines 13-14	Addition of "county administrative"	Grammatical change. Further clarifies our opposition to cuts in the administration of programs.
Pg. 10, line 36	Delete the word "other"	Grammatical change.
Pg. 10, line 37	Delete "to the Unallocated Account" and the addition of "that will negatively impact counties	Stylistic change. Provides a clear understanding that Counties would be in opposition to any funding shift that will negatively impact counties.
Pg. 11, lines 25-43; Pg. 12, lines 1-11	Addition of new paragraphs on Hospital Financing	Provides background information on California's new federal Medicaid hospital financing waiver, SB 1100. More accurately reflects the current issues with hospital funding and its impact on counties.
Pg. 1, lines 13-25	Creation of new Section on Family Violence, which outlines the goals of the Family Violence Task Force.	Previously this section was not included in the platform. However, in 2000, CSAC established a Family Violence Task Force, a joint effort of the HHS & AOJ committees. The task force has been influential in raising the level of awareness regarding the effects of family violence on California's children, families and communities.

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HUMAN SERVICES PLATFORM

Page, line	Change	Rationale/Need
Pg. 1, line 1 Pg. 1, lines 7-9	Grammatical change. Deletion of "and provided the state honors its funding obligations, will continue to deliver these services in the future."	Grammatical change; deleted unnecessary language in order to clarify counties commitment to the delivery of public social services.
Pg. 1, lines 12-19	Addition of paragraph on Proposition 13, SB 154 (1978) & AB 8 (1979).	Highlighted the significance of legislation that changed the state and local finance system.
Pg. 1, lines 16-18	Stylistic change. Moved the last sentence in paragraph to the beginning of paragraph	Places greater emphasis at the beginning of this section about the significance of Proposition 13 and its impact on counties.
Pg. 1, line 21	Grammatical change. Delete "in many programs"	Grammatical change. Deleted unnecessary language.
Pg. 1, line 22	Grammatical change. Delete "a well-run" and addition of "its programs"	Grammatical change. Deleted unnecessary language to further clarify counties inabilities to maintain its programs.
Pg. 1, line 27	Delete" the notion of "	Grammatical change. Deleted unnecessary language to further clarify that counties support providing for indigents at the local levels.
Pg. 1, line 34	Delete "should be able" and replace with "deserves"	Grammatical change.
Pg. 1, lines 35-38	Grammatical change	New sentence further clarified the access levels to public and private services for families and caregivers.
Pg. 2, line 2	Addition of "social worker"	Further clarified that the SB 2030 study measured social workers workload.
Pg. 3, line 41; Pg. 4, lines 1-3	Addition of statement clarifying the roles of TANF & CalWORKs	The addition of this sentence highlights how counties deliver services to children under the (2) programs.
Pg. 3; line 15	Delete "area" and replace with "region"	Stylistic change.
Pg. 3, lines 31-33	Addition of statement that highlights counties concern regarding the special needs of people relocated due to an emergency disaster	In light of the recent hurricane disasters, counties look for state and federal guidance on serving relocated/displaced people from other states due to an emergency disaster.
Pg. 3, lines 40-41	Addition of statement that reflects a broader perspective on factors that lead to poverty and welfare dependency	The addition of this sentence emphasizes that prevention efforts should focus on the following factors (unemployment, underemployment & lack of educational opportunities) or indicates for poverty and welfare dependency.

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Page, line	Change	Rationale/Need
Pg. 4, line 19	Delete "Initiative" and replace with "Commission"	Grammatical change that clarifies that the Commission was formed as a result of Proposition 10.
Pg. 4, line 23	Addition of statement that clarifies why the local children and families commissions were established	Further clarifies that the commission was established after the passage of Proposition 10.
Pg. 4, lines 9-21	Creation of Section on Family Violence, which outlines the goals of the Family Violence Task Force.	Previously this section was not included in the platform. However, in 2000, CSAC established a Family Violence Task Force, a joint effort of the HHS & AOJ committees. The task force has been influential in raising the level of awareness regarding the effects of family violence on California's children, families and communities.

CHAPTER FIVE

HEALTH SERVICES

Section 1: GENERAL PRINCIPLES

Counties ~~continue to~~ serve as the front line defense against threat of widespread disease and illness and to promote health and wellness among all Californians. This chapter deals specifically with health services and covers the major segments of counties' functions in health services. Health services in each county shall relate to the needs of residents within that county in a systematic manner without limitation to availability of hospital(s) or other specific methods of ~~health~~ service delivery. ~~The needs of residents shall be met in accord with the best service that is available to them as determined by~~ The board of supervisors in each county sets the standards of care for its residents. ~~The determination by county boards shall be open and apply to both the form of administration ranging from health agencies to separate departments, and to the delivery of various services.~~

Local health needs vary greatly from county to county. Counties support and encourage the use of multi-jurisdictional approaches to health care. Counties support efforts to make cost-saving partnerships between the state and the counties in order to achieve better fiscal outcomes for both entities. Therefore, counties should have the maximum amount of flexibility in managing programs. Counties should have the ability to expand or consolidate facilities and services to provide a comprehensive level of services and achieve maximum cost effectiveness. Additionally, as new federal and state programs are designed in the health care field, the state needs to work with counties to encourage maximum program flexibility and to minimize disruptions in county funding from the transition to new reimbursement mechanisms. ~~Counties support and encourage the use of multi-jurisdictional approaches to health care. Counties support efforts to make cost-saving partnerships between the state and the counties in order to achieve better fiscal outcomes for both entities.~~

A. PUBLIC HEALTH

The county public health departments and agencies are the only health agencies with direct day-to-day responsibility for protecting the health of every person. ~~Illness and the threat of illness are very personal.~~ The average person does not have the means to protect him or herself against contagious and infectious diseases, ~~that are becoming more dangerous as living conditions require closer and more frequent contact among people.~~ Government must assume ~~this~~ the role of health protection against contagious and infectious diseases. ~~role~~. It must also provide services to prevent disease and disability and encourage the community to do likewise. These services and the authority to carry them out become especially important in times of disaster and public emergency. To effectively respond to these needs, counties must be provided with full

funding for local public health communicable disease control and surveillance activities.

B. HEALTH SERVICES PLANNING

Counties believe strongly in comprehensive health services planning. Planning must be done through locally elected officials both directly and by the appointment of quality individuals to serve in policy and decision-making positions for health services planning.

C. MENTAL HEALTH

Counties support community-based treatment of mental illness. They also accept responsibility for providing treatment and administration of such programs. It is believed that the greatest progress in treating mental illness can be achieved by continuing the counties' role in supporting and assisting the state in administering its programs. Programs that treat mental illness should be designed to meet local requirements within statewide criteria and standards to ensure appropriate treatment of mentally ill persons. However, counties are concerned about the erosion of state funding and support for mental health services. Although the adoption of Proposition 63, Mental Health Services Act, will assist counties in service delivery it does not add funding to existing programs, but rather provides for new programs which expand the capacity of existing services. We strongly oppose additional reductions in state funding for mental health services that will result in the state shifting its costs to counties. These costs shifts result in reduced services available at the local level.

The realignment of health and social services programs in 1991 restructured California's public mental health system. Realignment required local responsibility for program design and delivery within statewide standards of eligibility and scope of services, and designated revenues to support those programs. Counties are committed to services ~~delivered~~delivery~~d in a system of care~~ that manages and coordinates services to mentally ill persons and which operates within a system of performance outcomes that assure funds are spent in a manner that provides the ~~cost effectively for~~ highest quality of care~~services~~.

California law consolidated the two Medi-Cal mental health systems, one operated by county mental health departments and the other operated by the state Department of Health Services on a fee-for-service basis, effective in fiscal year 1997-98. Counties supported these actions to consolidate these two systems and to operate Medi-Cal Mental Health services as a managed care program. Counties were offered the first opportunity to provide managed mental health systems, and every county chose to operate as a Medi-Cal Mental Health Plan. This consolidated program provides for a negotiated sharing of risk for services between the state and counties. However, counties oppose a managed care model in which the state abdicates its funding responsibility to counties. Counties are paying for an increasing share of the Medi-Cal Mental Health program. As state funding declines, counties will reconsider providing managed mental health systems.

County mental health agencies provide necessary, child and family-centered high quality services

to special education pupils. This program is known as AB 3632 (Statutes of 1984). The State provided inadequate funding for this mandate from fiscal year 2002-03 through 2004-05. Counties cannot continue to assume the legal and financial risk for this federal special education entitlement program. Counties urge the State to fully fund counties for their costs of providing the state mandated services under AB 3632 and to develop a reasonable plan for repaying past due SB 90 claims. Alternatively, ~~C~~ counties would also support repealing the AB 3632 mandate on counties, recognizing that accountability for ensuring the provision of mental health related services under the IDEA rests with education – not local government~~changing state law to assign responsibility for mental health services for special education pupils (AB 3632, Statutes of 1984) to school districts rather than counties~~. If school districts become fiscally responsible for this mandate, the program must be restructured so that schools are legally responsible for ensuring that mental health-related services are provided to special education students pursuant to the federal IDEA. Under such a restructured system, county mental health departments would remain committed to maintaining and enhancing their effective collaborative partnerships with education, and to working with all interested stakeholders in developing a system that continues to meet the mental health needs of special education pupils. ~~This program must be restructured, including returning fiscal responsibility to education, because of fundamental flaws in the design and funding of the program. County mental health agencies provide necessary, child and family-centered high quality services to special education pupils. However, counties cannot continue to assume the legal and financial risk for this federal special education entitlement program.~~

In response to county concerns, state law also provides funds to county programs to provide specialty mental health services to CalWORKs' recipients who need treatment in order to get and keep employment. Similar law requires county mental health programs to provide specialty mental health services to ~~Healthy Families~~ seriously emotionally disturbed children insured under the Health Families Program~~who are seriously emotionally disturbed~~. Counties have developed a range of locally designed programs to serve California's diverse population.

Adequate mental health services can reduce criminal justice costs and utilization. Appropriate diagnosis and treatment services will result in positive outcomes for mentally ill offenders. Ultimately, appropriate mental health services will benefit the public safety system. Counties continue to work across disciplines to achieve good outcomes for persons with mental illness and/or co-occurring substance abuse issues.

D. SUBSTANCE ABUSE PREVENTION AND TREATMENT

Counties have been, and will continue to be actively involved in ~~the areas of~~ substance abuse prevention and treatment. Counties believe the best opportunity for solutions are at the local level. —Counties continue to provide a wide range of substance abuse treatment services. However, counties are concerned that treatment capacity cannot accommodate all persons needing substance abuse treatment services.

Counties continue to support state and federal efforts to provide substance abuse benefits under the same terms and conditions as other health services. Under current practice, insurance policies routinely treat alcohol and other drug abuse or dependency differently than other illnesses.

With the enactment of Proposition 36, the Substance Abuse and Crime Prevention Act of 2000, substance abuse treatment demands on counties continue to increase. Counties are concerned that the dedicated funding for Proposition 36 will expire on June 30, 2006. However, the mandate to provide services under Proposition 36 does not expire; counties will be unable to provide services without adequate dedicated funding.

Adequate substance abuse prevention and treatment services can reduce criminal justice costs and utilization. Appropriate diagnosis and treatment services will result in positive outcomes for offenders with substance abuse problems. Ultimately, appropriate substance abuse treatment services will benefit the public safety system. Counties continue to work across disciplines to achieve good outcomes for persons with substance abuse issues and/or mental illness.

E. MEDI-CAL, CALIFORNIA'S MEDICAID PROGRAM

State officials began discussing reforming Medi-Cal, California's Medicaid program, in 2004. Currently federal officials are also looking to change the federal rules for how Medicaid functions. Undoubtedly, changes to the Medi-Cal program will affect counties. Counties are concerned about state and federal proposals that would decrease access to health care and that would shift costs or risk to counties.

California counties have a unique perspective on the reform of the state's Medicaid program. Counties are charged with preserving the public health and safety of communities. As the local public health authority, counties are vitally concerned about health outcomes.

Counties are the foundation of California's safety net system. Under California law, counties are required to provide services to the medically indigent. To meet this mandate, some counties own and operate county hospitals and clinics. These hospitals and clinics also provide care for Medi-Cal patients and rely heavily on Medicaid reimbursements. Medi-Cal reform that results in decreased funding to county hospitals and health systems will be devastating to the safety net. The loss of Medi-Cal funds translates into fewer dollars to help pay for remaining uninsured persons served by county facilities. In recent years, county hospitals are serving more uninsured as a percentage of the total patients. Counties are not a in a position to absorb or backfill the loss of additional state and federal funds. Rural counties already have particular difficulty developing and maintaining health care infrastructure and ensuring access to services.

Additionally, county welfare departments determine eligibility for the Medi-Cal program. County mental health departments are the health plan for Medi-Cal Managed Care for public mental health services.

Changes to the Medi-Cal program will undoubtedly affect the day-to-day business of California counties. Counties recognize that the state and federal governments have budget deficits, not unlike our own. Because of our unique role with the Medi-Cal program, counties believe we can offer cost-effective solutions. As such, counties must be involved in the development of Medi-Cal reform proposals.

Counties have agreed that any reform of the Medi-Cal program should be subject to the following principles:

Safety Net: It is vital that reform efforts preserve the viability of the safety net and not shift costs to the county safety net.

Managed Care: Expansion of managed care must not adversely affect the safety net and must be tailored to each county's needs.

- Movement of the aged, blind, and disabled into managed care is a major policy shift and the state must recognize the full impact of such a change, including the loss of funds to public hospitals. In counties with public hospitals currently receiving these payments, the loss of these funds would destabilize the public health care safety net.
- Adequate funding levels must be developed for public hospitals and those qualified safety net hospitals operating within a county organized health system (COHS) managed care framework.
- Due to unique characteristics of the health care delivery system in each county and variations in health care accessibility and demographics of client population, counties believe that managed care systems must be tailored to each county's needs.
- The state should continue to provide options for counties to implement managed care systems that meet local needs. The state should work openly with counties as primary partners in this endeavor.
- The state needs to recognize county experience with geographic managed care and make strong efforts to ensure the sustainability of county organized health systems.
- The Medi-Cal program should offer a reasonable reimbursement mechanism for managed care.

Special Populations Served by Counties – Mental Health, Drug Treatment Services, and California Children's Services (CCS): Reform efforts must preserve access to medically necessary mental health care, drug treatment services, and California Children's Services.

- The carve-out of specialty mental health services within the Medi-Cal program must be preserved, if adequately funded, in ways that maximize federal funds and minimize county risks.
- Early and Periodic Screening Diagnosis and Treatment (EPSDT) services for children must be preserved.
- Maximum federal matching funds for CCS program services must continue in order to avoid cost shifting to counties.

- Counties are open to reforming the Drug Medi-Cal program in ways that maximize federal funds and minimize county risks. Any reform effort should recognize the importance of substance abuse services in the health care continuum.

Maximizing Funds: Other states have received waivers for unique program elements not used in California. The State should pursue all possible options for securing additional federal funds.

- Counties will not accept a share of cost for the Medi-Cal program.
- Reform efforts must allow county health systems to maintain essential funding through Medi-Cal Administrative Activities (MAA), Targeted Case Management (TCM) or other programs that allow counties to maximize federal Medi-Cal funding.

Simplification: Reform efforts must simplify Medi-Cal eligibility requirements without jeopardizing eligibility. Reform should not add to the complexity of the Medi-Cal Program.

- Complexities of rules and requirements should be minimized or reduced so that enrollment, retention and documentation and reporting requirements are not unnecessarily burdensome to recipients, providers, and administrators and are no more restrictive or duplicative than required by federal law.
- Simplification should include removing barriers that unnecessarily discourage beneficiary or provider participation.
- Counties support simplifying the eligibility process for administrators of the Medi-Cal program.

Continuity: Reform efforts must preserve continuity of care and coverage.

- The Medi-Cal program must retain categorical linkages to full benefits.

Maintaining Access and Eligibility

- Any reform proposal must uphold Congress' clearly stated objectives of the Medicaid Act to: 1) furnish medical assistance to limited income families with dependent children and the aged, blind and disabled, and 2) furnish rehabilitation and other services to help them attain/retain independence or self care.
  - Individuals currently eligible for Medi-Cal should remain eligible.
  - Benefits for eligible individuals must remain available in order to preserve meaningful access to medically necessary care and should not create differences in access based on levels of poverty.
- True reform must streamline eligibility requirements, expand access to care, preserve the safety net, and improve quality, cost effectiveness and program efficiency, as well as encouraging preventative care and healthy outcomes for all served.
  - Policies that (in effect) result in a lapse or loss of coverage for those eligible for Medi-Cal or other public health programs should be eliminated.
  - Policies that restrict access to care or make access more cumbersome or difficult should be rejected.

- A functional Medi-Cal program should provide access to qualified providers and ensuring that services are culturally and linguistically appropriate.
- Any reform efforts should preserve safety net services and must not shift the burden of providing uncompensated care to safety net providers, especially county health systems.

- Reform efforts should ensure that costs imposed upon eligible individuals do not make care inaccessible or unaffordable.
  - Increased cost sharing requirements for those individuals who can least afford it should be rejected, as current studies and data consistently indicate that cost-sharing impedes their access to medically necessary services or causes them to access care at more expensive entry points, such as emergency departments.
  - Reform should offer a range of reimbursement to providers that reflect local economies, both for managed care plans and fee for service.
- Reform efforts must not be at the expense of vulnerable and special needs populations. Coverage of immigrants, elderly, pregnant women and persons with disabilities must be maintained, including full implementation of the *Olmstead* decision.

Due Process: Reform efforts must not undermine existing due process rights and protections of beneficiaries.

F. MEDICARE PART D

In 2003, Congress approved a new prescription drug benefit for Medicare effective January 1, 2006. The new benefit will be available for those persons entitled to Medicare Part A and/or Part B and for those dually eligible for Medicare and Medi-Cal.

Beginning in the fall of 2005, all Medicare beneficiaries can start to choose a Medicare Prescription Drug Plan. While most beneficiaries must choose and enroll in a drug plan to get coverage, different rules apply for different groups. Some beneficiaries will be automatically enrolled in a plan.

The new drug coverage plan eliminates state matching funds under the Medicaid program and shifts those funds to the new Medicare program. Beginning December 31, 2005, Medicare will stop paying for prescription drug coverage. The plan requires beneficiaries to pay a co payment and for some, Medi-Cal will assist in the cost.

For counties, this change will lead to increased workloads for case management across many levels of county medical, social welfare, criminal justice and mental health systems. The potential for the use of county realignment funds to assist in the share of cost for co-payments exists. Counties strongly oppose any change to realignment funding that may result and would oppose any reduction or shifting of costs associated with this benefit that would require a greater mandate on the counties.

Section 2: HEALTH CARE COVERAGE PRINCIPLES

Counties support universal health care coverage in California, with the goal of a health care system that is fully integrated and offers access to all Californians. Universal health care coverage will ultimately allow the state to realize cost savings in publicly funded health care programs. However, the foundation of the publicly funded health care system needs immediate attention. The State of California must preserve and adequately fund existing publicly funded health care programs before expanding services. Counties resources are limited and are not in a position to increase our expenditures to pay for expanded health care coverage and access.

A. ACCESS AND QUALITY

- Counties support access to quality and comprehensive health care through universal coverage.
- Any universal health care program should ~~ideally~~ provide a truly comprehensive package of health care services.
- Counties support a health care system that includes a component of health care services to prisoners and offenders, detainees and undocumented immigrants.
- Reforms should address access to health care in rural communities and other underserved areas.

B. ROLE OF COUNTIES AS HEALTH CARE PROVIDERS

- Counties strongly support maintaining a stable and viable health care safety net. An adequate safety net is needed to care for persons who remain uninsured as ~~we~~ California transition's to universal coverage and for ~~persons, such as the mentally ill or homeless,~~ those who may have difficulty accessing care through a traditional insurance-based system.

- The current safety net is grossly underfunded. Any diversion of funds away from existing safety net services will lead to the dismantling of the health care safety net and will hurt access to care for all Californians.

- Counties believe that delivery systems that meet the needs of vulnerable populations and provide specialty care, such as emergency and trauma care and training of medical residents and other health care professionals, must be supported in any universal health coverage plan.

- Counties strongly support adequate funding for the public health system as part of a plan to achieve universal health coverage. Counties recognize the linkage between public health and health care. A strong public health system will reduce medical care costs, contain or mitigate disease, and address disaster preparedness and response.

C. FINANCING AND ADMINISTRATION

- Counties support increased access to health coverage through a combination of mechanisms that may include improvements in and expansion of the publicly funded health programs, increased employer-based and individual coverage through purchasing pools, tax incentives, and system restructuring. The costs of universal health care shall be shared among all sectors: government, labor, and business.

- Efforts to achieve universal health care should simplify the health care system – for recipients, providers, and administration.

- The federal government has an obligation and responsibility to assist in the provision of health care coverage.

- Counties encourage the state to pursue ways to maximize federal financial participation in health care expansion efforts, and to take full advantage of opportunities to simplify Medi-Cal, the Healthy Families Program, and other publicly funded programs with the goal of achieving maximum enrollment and provider participation.

- County financial resources are currently overburdened; counties are not in a position to contribute additional resources to expand health care coverage.

- A universal health care system should include prudent utilization control mechanisms that are appropriate and are not a barrier to necessary care.

- Access to health education, preventive care, and early diagnosis and treatment will assist in controlling costs through improved health outcomes.

D. ROLE OF EMPLOYERS

- Counties believe that every employer has an obligation to contribute to health care coverage. Counties are sensitive to the economic concerns of employers, especially small employers, and employer-based solutions should reflect the nature of competitive industries and job creation and retention. Therefore, counties advocate that such an employer policy should also be pursued at the federal level.

- Reforms should offer opportunities for self-employed individuals, temporary workers, and contract workers to obtain health coverage.

E. IMPLEMENTATION

Counties recognize that California will not achieve full universal health care system immediately,

and implementation may necessitate an incremental approach. As such, counties believe that incremental efforts must be consistent with the goal and the framework for universal health care coverage, and include counties in all aspects of planning and implementation.

Section 3: CALIFORNIA HEALTH SERVICES FINANCING

Those eligible for Temporary Assistance for Needy Families (TANF)/California Work Opportunity and Responsibility to Kids (CalWORKs), should retain their categorical linkage to Medi-Cal as provided prior to the enactment of the federal Personal Responsibility Work Opportunity Reconciliation Act of 1996.

Counties are concerned over the erosion of state program funding and the inability of counties to sustain current program levels. As a result, we strongly oppose additional cuts in county administrative programs we administer, as well as any cost shifts from the state for these programs. Counties support legislation to permit commensurate reductions at the local level to avoid any cost shifts to local government.

With respect to the County Medical Services Program (CMSP), counties support efforts to improve program cost effectiveness and oppose state efforts to shift costs to participating counties, including administrative costs and elimination of other state contributions to the program.

Counties believe that enrollment of Medi-Cal patients in managed care systems may create opportunities to reduce program costs and enhance access. Due to unique characteristics of each county's delivery system and health care accessibility and demographics of client population, counties believe that managed care systems must be tailored to each county's needs. The state should continue to provide options for counties to implement managed care systems that meet local needs. Because of the significant volume of Medi-Cal clients that are served by the counties, the state should work openly with counties as primary partners.

Where cost-effective, the state should provide non-emergency health services to undocumented immigrants. The State should seek federal reimbursement for medical services provided to undocumented immigrants.

Counties oppose any shift of funding responsibility from ~~other~~ accounts within the Proposition 99 framework ~~to the Unallocated Account~~ that will negatively impact counties. Any funding responsibilities shifted to the Unallocated Account would disproportionately impact the California Healthcare for Indigents Program/Rural Health Services (CHIP/RHS) thereby potentially producing severe negative fiscal impacts to counties.

Counties support increased funding for trauma and emergency room services. Trauma centers and emergency rooms play a vital role in California's health care delivery system. Trauma

services address the most serious, life-threatening emergencies. Financial pressures in the late 1980s led to the closure of several trauma centers and emergency rooms. The financial crisis in the trauma and emergency systems is due to a significant reduction in Proposition 99 tobacco tax revenues, increasing number of uninsured patients, and the rising cost of medical care, including specialized equipment that is used daily by trauma centers. Although reducing the number of uninsured through expanded health care coverage will help reduce the financial losses to trauma centers and emergency rooms, critical safety-net services must be supported while incremental progress is made on the uninsured.

A. REALIGNMENT

In 1991, the state and counties entered into a new fiscal relationship known as realignment. Realignment affects health, mental health, and social services programs and funding. The state transferred control of programs to counties, altered program cost-sharing ratios, and provided counties with dedicated tax revenues from the sales tax and vehicle license fee to pay for these changes.

Counties support the concept of state and local program realignment and the principles adopted by CSAC and the Legislature in forming realignment. Thus, counties believe the integrity of realignment should be protected. However, counties strongly oppose any change to realignment funding that would negatively impact counties. Counties remain concerned and will resist any reduction of dedicated realignment revenues or the shifting of new costs from the state and further mandates of new and greater fiscal responsibilities in this partnership program.

B. HOSPITAL FINANCING

In 2005, 15 counties own and operate 21 hospitals statewide, including Alameda, Contra Costa, Kern, Los Angeles, Modoc, Monterey, Riverside, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara, Trinity, Tuolumne, and Ventura counties. These hospitals are vital to maintaining health access to low-income populations.

County hospitals could not survive without Medicaid funds. CSAC has been firm that any proposal to change hospital financing must guarantee that county hospitals do not receive less funding than they currently do, and are able to receive more federal funding in the future, as needs grow. California's new federal Medicaid hospital financing waiver (implemented in SB 1100, Chapter 560) provides a baseline hold harmless for county hospitals for five years. Some serious concerns still remain about both the viability of the waiver and the fiscal and practical impacts reflected in SB 1100, the counties believe implementation of the waiver is necessary to ensure that county hospitals to be paid for the care they provide to Medi-Cal and uninsured patients.

Counties remain concerned about the huge ramifications associated with the changes to the new financing structure under the certified public expenditure (CPE) model. We are concerned that

individual hospitals and county health systems may be negatively impacted. It is not clear that hospitals will be able to access all of the federal funds available. Additionally, the audit structure provides an opportunity for the federal government to further reduce the level of federal funding for county hospitals, without clear advance guidelines and rules as to allowable expenditures. CSAC continues to work with the California Association of Public Hospitals and Health Systems on county hospital issues.

Counties are supportive of opportunities to reduce costs for county hospitals, particularly for mandates such as the seismic safety requirements and nurse-staffing ratios. Therefore, counties support infrastructure bonds that will provide funds to county hospitals for seismic safety upgrades, including construction, replacement, renovation, and retrofit.

Section 4: FAMILY VIOLENCE

In 2000 the CSAC Family Violence Task Force was established to raise awareness among county supervisors and staff regarding family violence and to highlight efforts that can assist counties in addressing family violence prevention, intervention and treatment. Bridging health and human services and administration of justice policy issues the task force seeks to: (1) develop a continuum of services and treatment, focusing on early intervention; (2) support strong partnerships and collaboration with governmental and non-governmental agencies; and (3) establish best practices with an emphasis on reducing children's exposure to violence. The newly created task force has been instrumental in informing counties on the issue of domestic violence and implementing coordinated strategies between first responders – law enforcement officers and human service workers to provide strategies for county-wide domestic violence prevention efforts.

CHAPTER ELEVEN

HUMAN SERVICES

Section 1: GENERAL PRINCIPLES

Counties ~~remain~~ *are* committed to the delivery of public social services at the local level. ~~and provided the state honors its funding obligations, will continue to deliver these services in the future. In addition~~, However, counties require adequate federal and state funding, maximum local authority, and flexibility for public social services.

In June 1978, California voters passed Proposition 13, which reduced property tax by nearly 57%. Prior to Proposition 13, property taxes were contributing an ever-increasing amount of money to finance human services programs. One of the effects of the proposition was a gradual erosion of local control in the administration of human services due to legislation and regulations promulgated by the state dictating standards, service levels and administrative constraints. In 1979 the legislature passed SB 154 and AB 8, which increased the state's role in delivering and financing local services and established a formula for the distribution of the remaining property taxes. ~~Prior to SB 154 (1978) and AB 8 (1979), county experience with the administration of human services programs was a gradual erosion of local control due to legislation and regulations promulgated by the state dictating standards, service levels and administrative constraints. At the same time, property taxes were contributing an ever-increasing amount of money to finance the programs. , which led to large increases in property tax rates prior to Proposition 13.~~

Despite state assumption of major welfare program costs after Proposition 13, counties continue ~~in many programs~~ to be hampered by state administrative constraints and cost-sharing requirements, which ultimately affect the ability of counties to maintain ~~a well run~~ its programs. The state should set minimum standards, allowing counties to enhance and supplement programs according to each county's local needs. To the extent the state requires standards, it should also fully pay the costs for such requirements.

Counties also support ~~the notion of~~ providing services for indigents at the local level. However, the state should assume the principal fiscal responsibility for administering programs such as General Assistance. The structure of federal and state programs must not shift costs or clients to county level programs without full reimbursement.

Section 2: CHILD WELFARE SERVICES/FOSTER CARE

A child ~~should be able~~ deserves to grow up in an environment that is healthy, safe and nurturing. To meet this goal ~~This can be accomplished by ensuring that~~ families and caregivers have access to public and private services that are comprehensive and collaborative. ~~and will assist them to~~

~~pursue their optimal personal and economic goals. Service providers should collaborate with the family to establish one comprehensive plan to ensure coordination and to avoid duplication.~~

The existing approach to budgeting and funding child welfare services was established in the mid-1980's. Since that time, dramatic changes in child welfare policy have occurred, as well as significant demographic and societal changes, impacting the workload demands of the current system. Based on the results of the SB 2030 study which provided an updated social worker workload/yardstick in 2000, California's method of budgeting and financing child welfare services needs to be changed. The study confirms that the current financing does not meet the actual workload demands. Additionally, these policy changes necessitate a reevaluation of the required county contribution to child welfare services. Counties support state assumption of an additional portion of non-federal child welfare services costs.

The ideal focus of children's services is to expand the capacity of families and caregivers to meet the needs of their children. Counties believe that this focus continues to be in jeopardy. While there has been some movement in recent years, the preponderance of spending for child welfare services remains dedicated to court and placement activities, rather than supportive, family-based interventions. Counties have and will continue to provide immediate leadership to focus and obtain additional resources for family preservation and support services.

When, despite the provision of voluntary services, the family or caregiver is unable to minimally ensure or provide a healthy, safe, and nurturing environment, a range of intervention approaches will be undertaken. When determining the appropriate intervention approach, the best interest of the child should always be the first consideration. These efforts to protect the best interest of children and preserve families may include:

1. A structured family plan involving family and all providers, with specific goals and planned actions;
2. A family case planning conference;
3. Intensive home supervision; and/or
4. Juvenile and criminal court diversion contracts.

When a child is in danger of physical harm or neglect, either the child or alleged offender may be removed from the home, and formal dependency and criminal court actions may be taken. Where appropriate, family preservation and support services should be provided.

When parental rights must be terminated, counties support a permanency planning process that quickly places children in the most stable environments, with adoption being the permanent placement of choice. Counties support efforts to accelerate the judicial process for terminating parental rights in cases where there has been serious abuse and where it is clear that the family cannot be reunified. Counties also support adequate state funding for adoption services.

As our focus remains on the preservation and empowerment of families, we believe the potential for the public to fear some increased risk to children is outweighed by the positive effects of a research-supported family preservation emphasis. Within the family preservation and support services approach, the best interest of the child should always be the first consideration. The Temporary Assistance for Needy Families (TANF) and the California Work Opportunity and Responsibility to Kids (CalWORKs), allows counties to take care of children regardless of the status of parents.

Section 3: PUBLIC ASSISTANCE PROGRAMS

There is strong support for the simplification of the administration of public assistance programs. The state should continue to take a leadership role in seeking state and federal legislative and regulatory changes to achieve simplification, consolidation and consistency across all major public assistance programs, including Temporary Assistance for Needy Families (TANF), California Work Opportunity and Responsibility to Kids (CalWORKs), Medicaid, Medi-Cal and Food Stamps. In addition, electronic technology improvements in welfare administration are an important tool in obtaining a more efficient system.

California counties are far more diverse from county to county than many regions ~~areas~~ of the United States. The state's welfare structure should recognize this and allow counties flexibility in administering welfare programs. Each county must have the ability to identify differences in the population being served and provide services accordingly, without restraints from federal or state government. There should, however, be as much uniformity as possible in areas such as eligibility requirements, grant levels and benefit structures. To the extent possible, program standards should seek to minimize incentives for public assistance recipients to migrate within the state.

A welfare system that includes time limits on assistance should also provide sufficient federal and state funding for education, job training, child care, and support services that are necessary to move recipients to self-sufficiency. There should also be sufficient federal and state funding for retention services, such as child care and additional training, to assist former recipients in maintaining employment. Any state savings from the welfare system should be directed to counties to provide assistance to the effected population for programs at the counties' discretion, such as General Assistance, indigent health care, job training, child care, mental health, alcohol and drug, and other services required to accomplish welfare-to-work goals. In addition, Federal and state programs should include services that accommodate the special needs of people who relocate to the state after an emergency disaster. It is only with adequate resources and flexibility that counties can truly address the fundamental barriers that many families have to self-sufficiency.

The state should assume the principal fiscal responsibility for the General Assistance program.

Finally, welfare-to-work efforts should focus on prevention of the factors that lead to poverty and welfare dependency including unemployment, underemployment, and lack of educational opportunities. Prevention ~~These~~ efforts should also acknowledge the responsibility of absent parents by improving efforts at absent parent location, paternity establishment, child support award establishment, and collection of child support.

Section 4: CHILD SUPPORT ENFORCEMENT PROGRAM

Counties are committed to strengthening the child support enforcement program through implementation of the child support restructuring effort of 1999. Ensuring a seamless transition and efficient ongoing operations requires sufficient federal and state funding and must not result in any increased county costs. Further, the state must assume full responsibility for any federal penalties for the state's failure to establish a statewide automated child support system. Any penalties passed on to counties would have an adverse impact on the effectiveness of child support enforcement or other county programs.

Moreover, a successful child support enforcement program requires a partnership between the state and counties. Counties must have meaningful and regular input into the development of state policies and guidelines.

Section 5: PROPOSITION 10: THE CALIFORNIA CHILDREN AND FAMILIES ~~INITIATIVE~~ COMMISSION

Proposition 10, the California Children and Families Initiative, provides significant resources to enhance and strengthen early childhood development. Local children and families commissions, established as a result of the passage of Proposition 10, must maintain the full discretion to determine the use of their share of funds generated by Proposition 10. Further, local children and families commissions must maintain the necessary flexibility to direct these resources to the most appropriate early childhood development needs of their communities. Counties oppose any effort to diminish Proposition 10 funds or to impose restrictions on its expenditure.

In recognition that Proposition 10 funds are under the control of local children and families commissions and are outside of the traditional county budgeting process, counties oppose any effort to lower or eliminate the state's support for county programs with the expectation that the state or local children and families commissions will backfill the loss with Proposition 10 revenues.

Section 6: REALIGNMENT

In 1991, the state and counties entered into a new fiscal relationship known as realignment. Realignment affects health, mental health, and social services programs and funding. The state transferred control of programs to counties, altered program cost-sharing ratios, and provided counties with dedicated tax revenues from the sales tax and vehicle license fee to pay for these changes.

Counties support the concept of state and local program realignment and the principles adopted by CSAC and the Legislature in forming realignment. Thus, counties believe the integrity of realignment should be protected. However, counties strongly oppose any change to realignment funding that would negatively impact counties. Counties remain concerned and will resist any reduction of dedicated realignment revenues or the shifting of new costs from the state and further mandates of new and greater fiscal responsibilities in this partnership program.

Section 7: FAMILY VIOLENCE

In 2000, the CSAC Family Violence Task Force was established to raise awareness among county supervisors and staff regarding family violence and to highlight efforts that can assist counties in addressing family violence prevention, intervention and treatment. Bridging health and human services and administration of justice policy issues the task force seeks to: (1) develop a continuum of services and treatment, focusing on early intervention; (2) support strong partnerships and collaboration with governmental and non-governmental agencies; and (3) establish best practices with an emphasis on reducing children's exposure to violence. The newly created task force has been instrumental in informing counties on the issue of domestic violence and implementing coordinated strategies between first responders – law enforcement officers and human service workers to provide strategies for countywide domestic violence prevention efforts.

Retiree Health Benefit Survey Results

In September 2005, CSAC and CAOAC distributed a Retiree Health Benefit Survey questionnaire to the 58 California counties. The purpose of the questionnaire was to determine the current practices of California counties as they begin undertaking steps toward implementation requirements of Governmental Accounting Standards Board (GASB) Statements 43 and 45. Below are the summarized responses from the 48 counties that replied to the survey.

Are retirees eligible for health benefits?

	# of Counties	% of Total
Yes	47	98%
No	1	2%
Total	48	100%

Who administers the Retiree Health Benefit Program?

	# of Counties	% of Total
County	32	76%
Retirement Board	6	14%
Jointly	2	5%
Third Party	2	5%
Total	42	100%

Who pays for Retiree Health Benefits (2004-05 contribution)?

	Amount	% of Total
County Operating Budget	289,508,231	51%
County Trust Fund	37,555,653	7%
Retirement System	98,122,508	17%
Retiree	76,020,530	13%
Other	65,245,100	12%
Other - Courts (Feb-June, 2005)	104,779	0%
Total	566,556,802	100%

	# of Counties	% of Total
County Operating Budget and Retiree	18	42%
County Operating Budget	6	14%
Retiree	6	14%
Retirement System	4	9%
Other/Combination	9	21%
Total	43	100%

Which best describes your current funding situation?

	# of Counties	% of Total
Pay-as-you-go	36	75%
Minimally Funded	2	4%
Fully Funded	2	4%
Other (Excess Earnings, Retiree Pays, etc)	8	17%
Total	48	100%

Population of County Provided Healthcare Coverage

Employee-to-Retiree Comparison

	FY 00/01 Actuals	FY 01/02 Actuals	FY 02/03 Actuals	FY 03/04 Actuals	FY 04/05 Actuals	FY 05/06 Estimated
Total Active Employees	249,737	268,247	272,765	268,475	242,907	226,142
Total Retirees	109,238	118,500	123,888	129,551	124,255	115,093
Total Active & Retirees	358,975	386,747	396,653	398,026	367,162	341,235
% Active Employees	69.6%	69.4%	68.8%	67.5%	66.2%	66.3%
% Retirees	30.4%	30.6%	31.2%	32.5%	33.8%	33.7%
# of Counties	35/33	36/33	39/37	39/37	38/36	34/33

Breakdown of Individuals with Healthcare Coverage

	FY 00/01 Actuals	FY 01/02 Actuals	FY 02/03 Actuals	FY 03/04 Actuals	FY 04/05 Actuals	FY 05/06 Estimated
Total Actives	72,054	75,554	79,448	87,647	86,620	71,722
Retirees	21,015	21,773	22,811	25,757	27,035	20,950
Active Dependents	83,352	86,114	90,182	93,540	93,966	69,905
Retiree Dependents	8,315	8,698	9,067	10,156	10,675	6,919
Total	184,736	192,139	201,508	217,100	218,296	169,496
# of Counties	15	15	17	18	20	18

	FY 00/01 Actuals	FY 01/02 Actuals	FY 02/03 Actuals	FY 03/04 Actuals	FY 04/05 Actuals	FY 05/06 Estimated
Total Actives	39.0%	39.3%	39.4%	40.4%	39.7%	42.3%
Retirees	11.4%	11.3%	11.3%	11.9%	12.4%	12.4%
Active Dependents	45.1%	44.8%	44.8%	43.1%	43.0%	41.2%
Retiree Dependents	4.5%	4.5%	4.5%	4.7%	4.9%	4.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
# of Counties	15	15	17	18	20	18

Eligibility and Service Requirements for Current Retiree Health Plan Benefit Plans

Does your County participate in the CalPERS program?

	# of Counties	% of Counties
Yes	25	53%
No	22	47%
Total	47	100%

Does your County administer independent health benefits?

	# of Counties	% of Counties
Yes	24	53%
No	21	47%
Total	45	100%

Are retirees part of the same risk pool as active employees?

	# of Counties	% of Counties
Yes	39	89%
No	5	11%
Total	44	100%

Are the premium rates the same for retirees and active employees?

	# of Counties	% of Counties
Yes	32	70%
No	14	30%
Total	46	100%

At age 65, is Medicare assignment required?

	# of Counties	% of Counties
Yes	32	73%
No	12	27%
Total	44	100%

Do you provide health benefits past age 65?

	# of Counties	% of Counties
Yes	42	91%
No	4	9%
Total	46	100%

Do you offer healthcare coverage for dependents of retirees?

	# of Counties	% of Counties
Yes	43	96%
No	2	4%
Total	45	100%

Do you offer healthcare coverage for survivors of retirees?

	# of Counties	% of Counties
Yes	39	89%
No	5	11%
Total	44	100%

Is it required that the retiree be participating in a health plan at the time of retirement?

	# of Counties	% of Counties
Yes	25	57%
No	19	43%
Total	44	100%

Do retirees remain eligible for health benefits if they do not retire immediately upon separation?

	# of Counties	% of Counties
Yes	24	55%
No	20	45%
Total	44	100%

Do you have a County operated Hospital?

	# of Counties	% of Counties
Yes	11	24%
No	35	76%
Total	46	100%

Do you have a County operated Health Plan? (i.e. health services provided by County employees)

	# of Counties	% of Counties
Yes	6	13%
No	39	87%
Total	45	100%

(retireehealthsurvey2responses)